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8

COUNTRY

Austria/Polland

DATE DISTR. 23 July 1948

Austro-Folish Coal Negotiations

OUT DESIGNATION.

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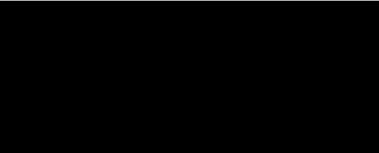
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SUPPLEMENT TO REPORT NO.



1. An agreement for the delivery of Polish coal to Austria under the Austro-Polish commercial treaty was concluded in Vienna on 7 July 1948. The chief Austrian negotiator was Engineer Anton Schopf of the Warenverkehrsbuero. Initial difficulty was encountered in determining the price of the coal. The Austrian Government had expected the price to decrease or at least to remain stable, but the Poles insisted on an almost 15% increase. Two representatives of the Austrian Mining Office (Oberste Bergbehoerde), Engineer Floss and Richard Schlafka, upheld the Polish point of view, declaring that Austria is dependent on coal shipments from Poland and must accede to Polish demands. There was a strong suspicion in Austrian industrial circles that these two representatives were collaborating with the Polish delegate, Dr. Froskar (formerly Proskauer), general manager of the Polish Polkarbon corporation in

25X1AVienna. Comment: Proskar is a lawyer from Upper Silesia, about 50 years old, a coal expert, and a delegate of the Polish coal combine in Katowice to Austria, Fungary, and Switzerland. Proskar, a PPR member, is assisted by Dr. Karol Klimek, a Krakow lawyer, about 37 years old, with no party affiliations.)

- 2. Polkarbon has a 26½% interest in the government-sponsored Austrian coal purchasing known as Oesterreichische Brennstoff Import-Gesellschaft (Oebig), directed by Richard Schlafks, and consequently, collects large profits from Oebig purchases of coal from the Ruhr.
- 25X1A Comment: Oebig, on 30 June 1948, included the following participating coal firms, with percentage of interest:
  - 0.30% Allgemeine Brennstoff-Handels-Gesellschaft (formerly De Gruyter)
  - 21.23% Austro-polnische Worlenhandels-Gesellschaft (Vaufmann)
  - 1.41% Fans Bauer jun.
  - 5.85% Donau (now Anthrazit)
  - 9.49% Gerich
  - 9-36% Gutmann

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CENTRAL INTELLIGENCE AGENCY





1.41% Guettl

3.52% Haniel (Major Firsch)

16.17% Carl Koeniger & Sohn

1.33% Marmorek

3.08% Montana

1.41% Wihoko

1.41% Winter A.G.

24.03% Laender-Provinz

Polkarbon received its quota from Austro-polnische Kohlenhandels-Gesellschaft, Gerich, and Carl Koeniger & Sohn. Schlafka is said to have been promised a leading position with Polkarbon in the event that Cebig is liquidated.)

The Austrian Federal Railroads have frequently protested that Cebig forces them to pay an administrative fee of about four schillings for each ton of coal; part of this fee goes to Polkarbon. It is rumored that Kloss personally receives from Proskar five cents for each ton of coal delivered to Austria from Poland.

- 3. The Voest Works in Linz is planning to set up a new corporation called Huettenkoks A.G., in which Voest will own half the shares; Voest will turn over 15% of the shares to Polkarbon. The other half of the shares in Huettenkoks will go to the coal firm of Koeniger in Vienna; Koeniger, in turn, will pass on some of its shares to the firm of Fulmen in Zürich, Switzerland.
- 4. The controlling interest in Koeniger and Fulmen belongs to a certain Bach, who, from 1942 to 1944, was a representative of the German Stinnes combine in Bulgaria. He was arrested by the Bulgarians in 1945 but was later released and attended a political school in Belgrade. Bach has been in Zürich since 1946 and is thought to be entrusted with the Swiss interests of various Russian satellite states. The Vienna Schoeller Bank has a dossier on Bach which supposedly contains evidence of fraudulent practices on his part when he was with Stinnes in 1936. Karl Mantler, State Secretary for Property and Economic Planning, is now looking into Bach's record.

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